



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

**DEPARTMENT OF THE TREASURY**

INTERNAL REVENUE SERVICE

TE/GE: EO Examination

1100 Commerce Street

Dallas, Texas 75242

501.03-00

**Date:** December 23, 2010

Release Number: **201113049**

Release Date: 4/1/2011

ORG

ADDRESS

**Employer Identification Number:**

**Person to Contact**

**ID Number:**

**Contact Numbers:**

Voice:

**In Reply Refer TO:**

TE/GE Review Staff

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

Dear

This is a Final Adverse Determination Letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code.

Our adverse determination was made for the following reasons:

ORG has failed to provide evidence that you are currently operated exclusively for exempt purposes within the meaning of Internal Revenue Code (IRC) section 501(C)(3) and that no part of your net earnings inure to the benefit of private shareholders. The Internal Revenue Service has made numerous attempts to contact you requesting information to conduct an examination of your activities and operations for the year ended December 31, 20XX: however, you have failed to file information returns and have not responded to repeated reasonable requests for documentation to substantiate your activities and fiscal operations as required by IRC §§ 6001, 6033(a)(1), and Revenue Ruling 59-95, 1959-1 CB 627.

Based upon the above, we are revoking your organization's exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code effective January 1, 20XX.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

You are required to file Federal income tax returns on Form 1120. Those returns should be filed with the appropriate Internal Revenue Campus for the year ending December 31, 20XX and for all years thereafter.

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must initiate a suit of declaratory judgment in the United States Tax Court, the United States Claims Court or the District Court of the United States for the District of Columbia before the 91<sup>st</sup> day after the date this determination was mailed to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. You may write to the Tax Court at the following address:

You also have the right to contact the office of the Taxpayer Advocate. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance.

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations or extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate, can, however, see that a tax matter, that may not have been resolved through normal channels, gets prompt and proper handling.

If you have any questions in regards to this matter please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,

Nanette M. Downing  
Director, EO Examinations

## Internal Revenue Service

## Department of the Treasury

TE/GE Exempt Organizations Examinations Division  
915 Second Avenue, M/S 540  
Seattle, Washington 98174

Date: March 25, 2011

ORG  
ADDRESS

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

### Certified Mail - Return Receipt Requested

Dear S

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Nanette M. Downing  
Acting Director, EO Examinations

Enclosures:  
Publication 892  
Publication 3498  
Report of Examination  
Form 6018  
Form 4621-A

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended	
ORG	EIN	December 31, 20XX	

#### LEGEND

ORG = Organization name      XX = Date      State = state      Address = address      City = city

### ISSUE

Whether ORG qualifies for exemption under §501(c)(3) of the Internal Revenue Code ("IRC").

### FACTS

ORG, Employer identification number EIN, a State non-profit corporation, recognized as exempt under IRC §501(c)(3) was requested by mail to provide documents to verify the organization's operation, financial recordkeeping compliance, and information reporting compliance.

The information document request (IDR) dated August 5, 20XX, were issued to the following addresses:

- 1 ) Address, City, State
- 2) Address, City, State
- 3) Address, City, State

On December 01, 20XX, a postal tracer was issued to the address of Address, City, State. The Postmaster responded to the correspondence on December 14, 20XX. The Postmaster stated that the organization moved and left no forwarding address.

The agent attempted to contact the organization via telephone on several occasions to set a date to conduct an examination to verify exempt status and compliance with applicable sections of the IRC.

To date, no response has been received from the organization.

According to the State Secretary of State website, ORG was administratively dissolved on June 01, 20XX.

ORG has not filed Forms 990, *Return of Organization Exempt from Income Tax*, for the tax year ending December 31, 20XX. ORG has not filed Forms 990 or other Federal income tax returns for prior and subsequent years.

### LAW

IRC §6001 provides that every person liable for any tax imposed by the IRC, or for the collection thereof, shall keep adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

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IRC §6033(a)(1) provides, except as provided in IRC §6033(a)(2), every organization exempt from tax under §501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Treasury Regulation ("Regulation")§ 1.6001-1(a) in conjunction with Treas. Reg. § 1.6001-1(c) provides that every organization exempt from tax under IRC § 501(a) and subject to the tax imposed by IRC § 511 on its unrelated business income must keep such permanent books or accounts or records, including inventories, as are sufficient to establish the amount of gross income, deduction, credits, or other matters required to be shown by such person in any return of such tax. Such organization shall also keep such books and records as are required to substantiate the information required by IRC §6033.

Regulation §1.6001-1(e) states that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

Regulation §1.6033-1(h)(2) provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (§501 and the following), chapter 1 of the Code and IRC §6033.

## **TAXPAYER'S POSITION**

No response has been received from the organization to any correspondence issued to date.

## **GOVERNMENT'S POSITION**

In accordance with the above cited provisions of the Code and Regulations under IRC §§ 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

ORG has not filed Form 990 for the tax period ended December 31, 20XX. ORG has not provided records sufficient to determine whether the organization is operated for purposes as enumerated under IRC §501(c)(3), or to determine whether it is liable for any unrelated business income tax.

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibit
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ORG	EIN	December 31, 20XX	

ORG has failed to establish that it was and is operated for purposes exempt under IRC §501(c)(3). As such, the exempt status of ORG under §501(c)(3) is to be revoked, effective January 1, 20XX.

## CONCLUSION

The exempt status of ORG is to be revoked effective January 1, 20XX, for failure to provide documents to establish that the organization is operated for exempt purposes under §501(c)(3) of the Internal Revenue Code.

The organization is liable to file Forms 1120 for the tax period ended December 31, 20XX and for all subsequent periods.